



STATE OF RHODE ISLAND  
**ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

# 2024-2026 EE & SRP Target Setting

Presented By: EERMC Consultant Team

Date: February 16, 2023





# Outline

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Background

Targets Development

Report Components

Next Steps



# BACKGROUND





# Legislative Requirement

In accordance with the 2006 Comprehensive Energy Conservation, Efficiency and Affordability Act (“Least-Cost Procurement Law”):

- *“The commissioner of the office of energy resources and the energy efficiency and resources management council, either jointly or separately, shall provide the commission findings and recommendations with regard to system reliability and energy efficiency and conservation procurement on or before March 1, 2008, and triennially on or before March 1, thereafter through March 1, 2024.”*

The Least-Cost Procurement Law (LCP) also requires the development and periodic review of LCP Standards (“the Standards”)

The Standards define the Council’s responsibilities with respect to providing the Commission with findings and recommendations

- This is what we are referring to when we discuss the recommended “Targets Report”



# Purpose of Targets

Establishes what is “potentially available cost-effective efficiency”

Guides establishment of savings goals for the Three-Year Plans and ensuing Annual Plans

Important Reminders:

- Energy Efficiency Targets  $\neq$  Energy Efficiency Goals
- Historically, Goals are where the filters for prudence, reliability, and environmental responsibility from the Standards are factored in
- Acknowledge that these factors will necessarily result in a gap between Targets and Goals as defined, and that is okay



# TARGETS DEVELOPMENT





# Development of Targets

2021-2023 EE Targets relied heavily on the Maximum Achievable scenario in the 2021-2026 Market Potential Study (MPS)

For 2024-2026 Targets, Council will have access to the results of the 2024-2026 update to the 2021-2026 MPS that is currently underway

Other items considered and reviewed in development of Targets

- Review of prior Target submittals to PUC
- Review of LCP legislation and any relevant updates to LCP Standards
- Input from Stakeholders, including via RI Energy's EE Technical Working Group
- Other EERMC priorities and legislative obligations



# TARGETS REPORT COMPONENTS





# EE & Conservation Targets

Required

Savings targets for electric and gas through energy efficiency over a three- to six-year period

Required

How savings targets are cost-effective and supported by one or more relevant market potential assessments

Required

Whether savings targets are intended to represent investments that are also reliable, prudent, environmentally responsible, and less than the cost of supply

Optional

Strategies for achieving savings targets over at least a three-year period



# SRP Recommendations

Optional

Recommendation for processes, including screening criteria, for identifying SRP investments that potentially meet LCP Standards

Optional

Strategies/technologies that potentially contribute to SRP



# Performance Incentive & Standards

## Performance Incentive Plans

Optional

- Recommendations for performance incentives that the distribution company is eligible to earn through LCP

Optional

## LCP Standards

- Recommendations for updates to LCP Standards



# Rulings & Stakeholder Process

## Recommended Rulings

Required

- State findings that the Council and/or OER recommend the PUC adopt by Order

## Stakeholder Processes

Required

- Minutes of public Council meetings at which the report was discussed

Required

- Presentations related to the development of the report made at public Council meetings



# NEXT STEPS





# Targets Filing Extension

Per LCP Standards:

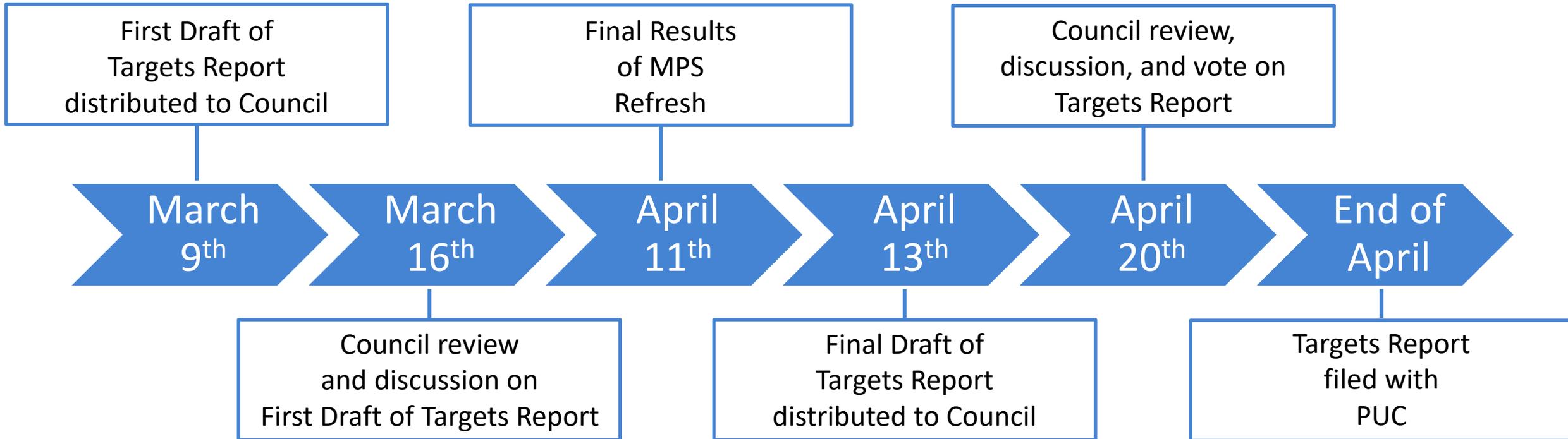
- The Report shall be filed with the PUC on or before March 1<sup>st</sup> Stakeholder Processes

Final results of the Market Potential Study refresh will be available to inform a Council vote on April 20<sup>th</sup>

Council should direct its legal counsel to file a letter of notice to the PUC informing them of the need for an extension



# Next Steps





# Council Member Discussion

